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2000HANOI02480 - CONFIDENTIAL

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ACTION EAP-00

INFO	LOG-00	NP-00	AF-00	AGRE-00	AID-00	ACQ-00	CEA-01
	CIAE-00	SMEC-00	CTME-00	INL-00	DINT-00	DOEE-00	SRPP-00
	DS-00	EB-00	EUR-00	EXIM-01	E-00	FBIE-00	VC-00
	FRB-00	H-01	TEDE-00	INR-00	IO-00	ITC-01	L-00
	VCE-00	MOFM-04	MOF-03	AC-01	NSAE-00	OES-01	OIC-02
	OMB-01	OPIC-01	PA-00	PM-00	PRS-00	ACE-00	P-00
	SP-00	SSO-00	STR-00	USIE-00	SA-00	PMB-00	DSCC-00
	DRL-02	G-00	NFAT-00	SAS-00	/019W		

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FM AMEMBASSY HANOI
TO SECSTATE WASHDC IMMEDIATE 1297
INFO NSC WASHDC IMMEDIATE
DEPTTREAS WASHDC PRIORITY
USDOC WASHDC PRIORITY
SECDEF WASHDC PRIORITY
JOINT STAFF WASHDC PRIORITY
AMEMBASSY BEIJING
AMCONSUL HONG KONG
AMCONSUL GUANGZHOU
AMCONSUL SHANGHAI
ASEAN COLLECTIVE
USCINCPAC HONOLULU HI//J5/FPA//
DIA WASHDC
AMEMBASSY TOKYO
AMEMBASSY SEOUL
AMEMBASSY PARIS

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C O N F I D E N T I A L SECTION 01 OF 06 HANOI 002480

SIPDIS

STATE FOR EAP A/S ROTH AND DAS BOYCE
STATE FOR EAP/BCLTV, EAP/CM, P, S/P, EB, IO/UNP, INR
STATE PASS USTR FOR AMB BARSHEFSKY
NSC FOR KEN LIEBERTHAL AND GENE CHRISTY
WHITE HOUSE FOR OFFICE OF FIRST LADY
WHITE HOUSE FOR NEC GENE SPERLING
WHITE HOUSE FOR DEP/ASST TO POTUS LBRAINARD
SECDEF FOR ISA/EAP LEW STERN
USDOC FOR 4431/MAC/AP/OKSA/HPPHO
USDA FOR FAA/AO/SHUETE
PARIS FOR SUE BREMNER
BEIJING PLEASE PASS CHENGDU

E.O. 12958: DECL: 10/18/2015

TAGS: [PGOV](#) [PREL](#) [ETRD](#) [ECON](#) [PINR](#) [VM](#) [CM](#) [CVR](#)

SUBJECT: VIETNAM WARILY LOOKS TO CHINA AS A MODEL FOR ECONOMIC AND POLITICAL REFORM

REF: A) HANOI 1114 B) HANOI 185

[1](#)1. (U) CLASSIFIED BY POLCOUNS JAMES BRUNO;
REASONS 1.5 (B) AND (D).

SUMMARY

[1](#)2. (C) A STEADY STREAM OF VIETNAMESE LEADERS VISITING
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CHINA, MOST RECENTLY PRIME MINISTER KHAI AND THE ARMY
CHIEF OF STAFF, HIGHLIGHTS THE GREAT INTEREST HANOI
PLACES ON ITS RELATIONS WITH BEIJING. SINCE GENERAL
SECRETARY PHIEU TRAVELED TO BEIJING IN FEBRUARY, SEVEN

SIPDIS

SEPARATE POLITBURO DELEGATIONS HAVE VISITED CHINA, AS
WELL AS MORE THAN 100 OTHER OFFICIAL WORKING-LEVEL
GROUPS. WHILE THE VIETNAMESE ARE LOATH TO ADMIT IT,
HANOI WATCHES THE PRC CLOSELY AS A MODEL FOR INTERNAL
REFORM: HOW TO PURSUE RAPID ECONOMIC GROWTH WHILE
MAINTAINING CENTRALIZED POLITICAL CONTROL. AS
RELATIONS BETWEEN THE TWO NEIGHBORS HAVE WARMED
MODESTLY IN THE PAST TWO YEARS, AND AS PHIEU HAS
CONSOLIDATED CONTROL WITHIN THE COMMUNIST PARTY,
VIETNAM'S LEADERS HAVE SELECTIVELY BORROWED FROM THEIR
CHINESE IDEOLOGICAL BRETHREN ON SEVERAL KEY ISSUES.
THESE INCLUDE VIETNAM'S PREPARATIONS OF SEMINAL PARTY
CONGRESS DOCUMENTS, THE REFORM OF STATE-OWNED

ENTERPRISES, AND THE MERITS OF COMBINING THE POSITIONS OF PARTY GENERAL SECRETARY AND STATE PRESIDENT.

13. (C) COMPLEX AND HIGHLY ASYMMETRICAL, THE VIETNAM-CHINA RELATIONSHIP HAS BEEN DESCRIBED BY ONE ANALYST AS CLASSICALLY CONFUCIAN. ACCORDING TO THIS THESIS, "LITTLE BROTHER" VIETNAM LOOKS WITH CONFLICTING EMOTIONS -- SOMETIMES DEFERENCE, SOMETIMES ENVY, SOMETIMES REBELLIOUSNESS -- AT ITS "OLDER BROTHER" CHINA, WHOSE CULTURE, LANGUAGE AND WORLDVIEW SO PROFOUNDLY SHAPE VIETNAM. WHATEVER THE METAPHOR, HANOI'S COMMUNIST LEADERS SEE THEIR COUNTERPARTS IN BEIJING WITH A TIGHTLY INTERWOVEN MIX OF ADMIRATION, FEAR AND MISTRUST. BECAUSE OF THIS, VIETNAM'S FOREIGN
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POLICY WITH CHINA ARGUABLY CONTAINS AN ELEMENT OF APPEASEMENT, SINCE THE MILITARY AND COMMERCIAL THREAT FROM THE PRC ALWAYS LOOMS LARGE IN THE BACKGROUND.

14. (C) FOR THE VIETNAMESE LEADERSHIP, THEIR PARAMOUNT GOAL IS PRESERVING THE COMMUNIST PARTY'S MONOPOLY ON POLITICAL POWER. IN CHINA THEY SEE A HOPEFUL BUT CAUTIONARY CASE STUDY OF HOW TO COMBINE LARGE DOSES OF ECONOMIC REFORM WITH A VENEER OF IDEOLOGY IN ORDER TO BUILD A MORE PROSPEROUS AND, ULTIMATELY, THEY HOPE, STABLE SOCIETY THAT WILL PRESERVE THE PERKS OF POWER FOR THE RULING PARTY ELITE. FROM OUR POINT OF VIEW, CHINA VIEWS VIETNAM, ON THE CONTRARY, AS BUT ONE OF A NUMBER OF NEIGHBORS ON ITS SOUTHERN BORDER. WHILE NOT UNIMPORTANT AS BOTH A MARKET AND A POTENTIAL SECURITY HEADACHE, HANOI PLAYS A RELATIVELY SMALL PART ON THE BIGGER STAGE OF BEIJING'S STRATEGIC AND COMMERCIAL CALCULUS. END SUMMARY.

A FLURRY OF VIETNAMESE LEADERS HEADING NORTH

15. (C) LOOKING BACK OVER THE PAST YEAR, THE STEADY STREAM OF HIGH-LEVEL VIETNAMESE DELEGATIONS TO CHINA IS STRIKING IN BOTH FREQUENCY AND PROMINENCE. SINCE GENERAL SECRETARY LE KHA PHIEU BEGAN TO CONSOLIDATE HIS POLITICAL CONTROL LAST YEAR, THERE HAVE BEEN AT LEAST SEVEN DELEGATIONS OF COMMUNIST PARTY OF VIETNAM (CPV) LEADERS THAT HAVE TRAVELED TO CHINA, AND MORE THAN 100 OFFICIAL GVN WORKING-LEVEL DELEGATIONS, ACCORDING TO AN OFFICIAL OF A QUASI-OFFICIAL THINK TANK, THE CHINA STUDIES INSTITUTE.

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16. (C) A CHINESE EMBASSY OFFICER TOLD POLOFFS THAT AN ENHANCED LEVEL OF CONTACTS BETWEEN THE PARTIES BEGAN LAST DECEMBER, WHEN PHIEU TRAVELED SECRETLY TO NANNING TO MEET PRC PRESIDENT JIANG ZEMIN. (IN DECEMBER CHINESE PREMIER ZHU RONGJI ALSO MADE AN OFFICIAL VISIT TO HANOI.) PHIEU AND JIANG REPORTEDLY MET ONE AFTERNOON AND THE FOLLOWING MORNING, AND PHIEU SOUGHT JIANG'S VIEWS ON TWO ISSUES. HE SOUGHT TO LEARN FROM THE PRC'S EXPERIENCE OF NEGOTIATING THE WTO ACCESSION AGREEMENT WITH THE U.S., WHICH WAS CONCLUDED IN NOVEMBER, AND HE WANTED TO DISCUSS THE BENEFITS AND PROBLEMS OF GLOBALIZATION WITH THE CHINESE.

17. (C) ACCORDING TO THE CHINESE EMBOFF, PHIEU FOLLOWED UP HIS SECRET TRIP WITH HIS PUBLIC, OFFICIAL VISIT TO BEIJING IN FEBRUARY, WHEN HE MET JIANG AND OTHER SENIOR LEADERS. THAT FEBRUARY TRIP, AS WELL AS THE FLURRY OF ENSUING VISITS THAT FOLLOWED, HAVE ALL BEEN OFFICIAL ONES AND PUBLICLY REPORTED. FOREIGN MINISTER NIEN MADE HIS FIRST OFFICIAL TRIP ABROAD TO CHINA IN FEBRUARY. NATIONAL ASSEMBLY SPEAKER NONG DUC MANH MET JIANG AND CHAIRMAN OF THE NATIONAL PEOPLE'S CONGRESS LI PENG IN BEIJING AND ALSO VISITED SHANGHAI AND THE SHENZHEN INDUSTRIAL AREA DURING HIS APRIL 4-10 VISIT. LIKE MANY OF THE OTHER POLITBURO DELEGATIONS, MANH FOCUSED ON HOW CHINA IS MANAGING REFORM OF STATE-OWNED ENTERPRISES (SOES), ACCORDING TO A NATIONAL ASSEMBLY OFFICIAL. FROM MAY 10-12, DEPUTY PM NGUYEN MANH CAM ATTENDED A CONFERENCE IN BEIJING ON THE FUTURE OF ASIA AND MET WITH PREMIER ZHU.

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18. (C) FROM JUNE 13-14 NGUYEN DUC BINH, THE LONG-TIME HEAD OF THE HO CHI MINH ACADEMY (WHICH IS THE IDEOLOGICAL TRAINING CENTER FOR SENIOR CPV OFFICIALS), CO-CHAIRING A CONFERENCE IN BEIJING BETWEEN THE TWO COMMUNIST PARTIES ON IDEOLOGY. PRC POLITBURO MEMBER AND HEAD OF THE CHINESE ACADEMY OF SOCIAL SCIENCES LI TIEYING WAS BINH'S HOST AND COUNTERPART. THE VIETNAMESE ATTACHED GREAT IMPORTANCE TO THIS IDEOLOGY

CONFERENCE, THE SECOND SUCH MEETING BETWEEN SENIOR COMMUNIST OFFICIALS; IN SEVERAL RECENT CPV MEETINGS, PARTY OFFICIALS HAVE CANDIDLY ASSESSED THAT CPV DIRECTIVES ARE SEEN AS INCREASINGLY IRRELEVANT TO THE VIETNAMESE PUBLIC AT LARGE. AMONG OTHER MATTERS, BINH WAS TASKED WITH RESEARCHING CHINESE PERSPECTIVES ON VARIOUS IDEOLOGICAL QUESTIONS TREATED IN THE DRAFT POLITICAL REPORT BEING PREPARED FOR THE COMMUNIST PARTY'S NINTH PARTY CONGRESS IN MARCH 2001. THE HEAD OF THE GOVERNMENT OFFICE ON RELIGION, LE QUANG VINH, WHO IS NOT A POLITBURO MEMBER, VISITED BEIJING FOR TALKS WITH HIS CHINESE COUNTERPARTS JUNE 20-27. WHILE VINH IS NOT A SENIOR-LEVEL FIGURE, HIS VISIT ALSO DEMONSTRATES HOW VIETNAMESE AGENCIES TREATING SENSITIVE IDEOLOGICAL ISSUES SEEK TO COMPARE NOTES WITH THEIR CHINESE COUNTERPARTS.

19. (C) IN EARLY JULY HO CHI MINH CITY PARTY CHIEF NGUYEN MINH TRIET HEADED A DELEGATION TO SHANGHAI, BEIJING, SHENYANG AND DALIAN. ONE OF TRIET'S PURPOSES WAS TO LEARN MORE ABOUT SISTER CITY SHANGHAI'S EXPERIENCE IN OPERATING A STOCK EXCHANGE AND HOW THIS HAS HELPED SPUR CAPITAL INFLOWS AND INVESTMENT. (HO CHI MINH CITY OPENED THE COUNTRY'S FIRST STOCK EXCHANGE IN JULY.) TWO KEY POLITBURO MEMBERS FOCUSED ON SECURITY MATTERS ALSO TRAVELED TO CHINA IN SEPARATE
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VISITS IN JULY: MINISTER OF PUBLIC SECURITY LE MINH HUONG AND DEFENSE MINISTER PHAM VAN TRA. THE ARMY CHIEF OF STAFF, CENTRAL COMMITTEE MEMBER LE VAN DUNG, FOLLOWED TRA WITH A VISIT TO BEIJING, SHANGHAI AND GUANGZHOU IN LATE OCTOBER. (COMMENT: THOUGH THE TWO COUNTRIES LAST DECEMBER REACHED AGREEMENT DEMARCATING THEIR LAND BORDER AND CLAIM THEY ARE SLOWLY ADVANCING TOWARD RESOLUTION OF THEIR GULF OF TONKIN DISPUTE, MILITARY-TO-MILITARY RELATIONS ARE GENERALLY LIGHT ON SUBSTANCE AND, DESPITE GLOWING PUBLIC WORDS FROM BOTH SIDES, DEFINITELY NOT EQUAL OR FRIENDLY. END COMMENT.)

10. (C) PM PHAN VAN KHAI VISITED CHINA SEPTEMBER 25-28, HOLDING TALKS WITH PRESIDENT JIANG, PREMIER ZHU, AND CHAIRMAN LI PENG (REPORTED FURTHER SEPTTEL). KHAI AND ZHU EMPHASIZED IN THEIR PUBLIC STATEMENTS THE DESIRE OF BOTH COUNTRIES TO EXPAND INVESTMENT AND TRADE, WITH THE GOAL OF \$2 BILLION IN TWO-WAY TRADE BY YEAR'S END. NOT STATED PUBLICLY, HOWEVER, WAS VIETNAM'S WORRY ABOUT THE CHINESE ECONOMIC COLOSSUS. CHINA RUNS A HUGE TRADE SURPLUS WITH VIETNAM, EXPORTING MORE THAN \$843 MILLION IN GOODS AND IMPORTING \$549 MILLION, ACCORDING TO PUBLISHED REPORTS, AND LIKELY HAS A MUCH LARGER SURPLUS WHEN SMUGGLED GOODS ARE FACTORED IN. CHINA'S EXPORTS ARE WIDELY DIVERSIFIED, INCLUDING MOTORCYCLES (THE UBIQUITIOUS KNOCK-OFF "HONGDA"), CHEMICALS, TEXTILES, AND AGRICULTURAL AND MANUFACTURED GOODS. BY CONTRAST, MOST OF VIETNAM'S EXPORTS TO CHINA ARE BASIC COMMODITIES SUCH AS COAL AND UNREFINED PETROLEUM. DIVERSE VIETNAMESE PRODUCERS -- OF FRESH FLOWERS, EGGS
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AND MOTORCYCLES -- HAVE COMPLAINED THAT CHINESE COMPETITORS MAY DRIVE THEM OUT OF BUSINESS BY UNDERCUTTING THEIR PRICES. KHAI'S VISIT WAS FOCUSED IN PART ON PRESSING VIETNAM'S INTERESTS FOR MORE BALANCED TRADE.

COMPARING NOTES WITH THE CONFUCIAN "BIG BROTHER"

11. (C) THE FLURRY OF HIGH-LEVEL COMMUNIST PARTY VISITS GOING IN BOTH DIRECTIONS, BUT PARTICULARLY FROM VIETNAM TO CHINA, REVEALS THE STRONG INTEREST OF THE VIETNAMESE IN "COMPARING NOTES" AND BENEFITING FROM THE GREATER EXPERIENCE OF THE CHINESE IN ECONOMIC DEVELOPMENT. AT ONE LEVEL, THIS IS UNSURPRISING. AFTER ALL, CHINA AND VIETNAM ARE THE WORLD'S TWO LARGEST REMAINING COMMUNIST STATES, AND HANOI SEEKS TO FOLLOW THE PRC IN DRAMATICALLY DEVELOPING ITS ECONOMY, WHILE MAINTAINING THE COMMUNIST LEADERSHIP UNRIVALED IN POLITICAL POWER.

12. (C) BUT AT THE SAME TIME, THE PROUD VIETNAMESE ARE AMBIVALENT ABOUT AND CAUTIOUS IN THEIR DEALINGS WITH THE CHINESE. VIETNAMESE ANALYSTS TELL US, ON THE ONE HAND, THEY ARE EAGER TO EMULATE CHINA'S RAPID ECONOMIC GROWTH AND MODERNIZATION; ON THE OTHER, THEY ARE LEERY OF THE UNDERCURRENTS OF UNREST IN CHINESE SOCIETY. THEY ARE QUICK TO POINT OUT THAT VIETNAM AND CHINA HISTORICALLY HAVE EYED EACH OTHER WARILY, WITH HANOI PARTICULARLY HAVING MEMORIES OF THE 1979 BORDER CONFLICT AND FALLING OUT OVER CAMBODIA. THE

VIETNAMESE THUS HAVE NO DESIRE TO BORROW WHOLESALE
FROM A PRC "MODEL," BUT RATHER TO PICK AND CHOOSE
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BASED ON WHAT THEY BELIEVE WILL WORK FOR THEM. FROM
THEIR STATEMENTS, IT IS APPARENT THAT HANOI'S LEADERS,
FAR FROM WANTING TO BE A VASSAL OR SUPPLICANT, BELIEVE
THEY CAN BECOME STRONGER AND MORE INDEPENDENT FROM A
SELECTIVE BORROWING OF THE CHINESE EXPERIENCE.

13. (C) THE CHINESE EMBOFF TOLD US HE BELIEVES GENERAL
SECRETARY PHIEU HAS SOUGHT OUT THE CHINESE, PARTLY

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BECAUSE OF IDEOLOGICAL REASONS AND PARTLY BECAUSE OF
THE CULTURAL AFFINITY MANY VIETNAMESE FEEL TOWARD
CHINESE. (IN THIS REGARD, ONE MFA OFFICIAL TOLD US
THE VIETNAMESE FEEL "COMFORTABLE" DEALING WITH THE
CHINESE BECAUSE "WE KNOW HOW THEY THINK.") THE
CHINESE EMBOFF SAID THAT DURING THE VIETNAMESE NEW
YEAR, PHIEU HOSTED A PRIVATE DINNER FOR THE CHINESE
AMBASSADOR AND ONLY A HANDFUL OF HIS CLOSEST
CONFIDANTS. PHIEU TOLD THE CHINESE THIS WAS THE ONLY
TIME HE HAD HOSTED AN AMBASSADOR FOR DINNER.
ATTENDING WITH HIM WERE A KEY ASSISTANT, A CPV
EXTERNAL RELATIONS OFFICIAL, AND TWO POLITBURO MEMBERS
-- DEFENSE MINISTER PHAM VAN TRA AND THE ARMY
POLITICAL COMMISSAR NGUYEN THANH NGAN. ANOTHER SIGN
OF THE IMPORTANCE OF THE CHINESE RELATIONSHIP WAS THAT
PHIEU'S PREDECESSOR, NOW SENIOR ADVISOR DO MUOI, MET
FIRST WITH THE CHINESE AMBASSADOR DURING TET, FOLLOWED
BY AMBASSADOR PETERSON THE NEXT DAY. (THE MEETINGS
WERE FEATURED IN FRONT-PAGE PHOTOS IN VIETNAMESE MEDIA
ON SUCCESSIVE DAYS.)

14. (C) COLLECTIVELY, THE STREAM OF HIGH-LEVEL VISITS
OVER THE PAST YEAR ADDS UP TO AN IMPORTANT ONGOING
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DIALOGUE, WHICH HELPS THE VIETNAMESE CRIB FROM CHINA'S
EXPERIENCE IN ECONOMIC REFORM. A VIETNAMESE THINK
TANK OFFICIAL TOLD US THE TWO COMMUNIST PARTIES
EXCHANGE EXPERIENCES ON STATE-OWNED ENTERPRISE REFORM,
WORLD ECONOMIC INTEGRATION, BANKING AND FINANCIAL
REFORMS, REDUCING UNEMPLOYMENT, AND "PRESERVING
NATIONAL CULTURE DURING THE PROCESS OF GLOBALIZATION."
IN THE RUN-UP TO THE SIGNING OF THE BILATERAL TRADE
AGREEMENT (BTA) BETWEEN THE U.S. AND VIETNAM IN JULY,
OUR REPORTING DOCUMENTED THE IMPORTANT ROLE THAT
CHINA'S NEGOTIATIONS WITH THE U.S. ON WTO ACCESSION
PLAYED IN VIETNAM'S CALCULUS. VIETNAMESE OF-OMMENDED
THAT VIETNAM WAIT UNTIL CHINA "WENT FIRST" BEFORE
VIETNAM CONCLUDED ITS BTA DEAL.

15. (C) THE CHINESE EMBOFF SAID THE FEBRUARY PHIEU
VISIT AND THE JUNE BINH VISIT FOCUSED ON A NUMBER OF
KEY QUESTIONS TO BE INCORPORATED IN THE DOCUMENTS OF
THE NINTH PARTY CONGRESS. THE CPV HAS CONSCIOUSLY
BORROWED FROM THE CHINESE, HE SAID, REGARDING THE
FORMULATION OF DIFFERENT ECONOMIC SECTORS AND
OWNERSHIP QUESTIONS, WHICH WERE TREATED AT CHINA'S
15TH PARTY CONGRESS. LIKEWISE, A VIETNAMESE THINK
TANK DIRECTOR TOLD POLOFF THAT SEVERAL VIETNAMESE
DELEGATIONS HAD SOUGHT PRC ADVICE ON SOE REFORM.
DEPUTY PM NGUYEN TAN DUNG, WHO VISITED CHINA IN 1999,
HAD FOCUSED ON THIS QUESTION, AS HAD HCMC PARTY CHIEF
TRIET, WHO DISCUSSED SOE REFORM IN DEPTH WITH LEADERS
IN SHENYANG AND DALIAN DURING HIS JULY 2000 VISIT.

16. (C) THE PRC EMBOFF ALSO SAID THE VIETNAMESE HAD
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INQUIRED WITH INTEREST ABOUT THE PRC'S EXPERIENCE OF
HAVING ONE SENIOR LEADER OCCUPY THE TWO POSTS OF PARTY
GENERAL SECRETARY AND STATE PRESIDENT. AFTER TWO OF
THE POLITBURO DELEGATIONS RETURNED FROM THE PRC, THEY
REPORTEDLY NOTED FAVORABLY HOW THE CHINESE MODEL OF
COMBINING THESE TWO SENIOR POSTS FUNCTIONS. A
VIETNAMESE SOURCE LIKEWISE CONFIRMED THAT DEPUTY PM
DUNG REPORTED FAVORABLY ON JIANG'S DUAL ROLES.
(COMMENT: THIS ISSUE REMAINS CONTENTIOUS AMONG THE CPV
LEADERSHIP, AND IT IS UNCLEAR WHETHER PHIEU WILL BE
SUCCESSFUL IN PUSHING THROUGH THIS REFORM TO ALLOW HIM
GREATER CLOUT, A LA JIANG. ARGUING AGAINST SUCH A
CHANGE IS THE HISTORICALLY CONSENSUS-BASED DECISION-
MAKING STYLE OF THE VIETNAMESE POLITBURO, WHICH IN
CONTRAST TO THE PRC SYSTEM, HAS NOT GRANTED SUPREME
POWER TO ONE LEADER, BUT INSTEAD HAS CAREFULLY SOUGHT
TO BALANCE FACTIONS IN THE INTEREST OF PRESERVING
STABILITY. END COMMENT.)

COMMENT

117. (C) SINCE LE KHA PHIEU BEGAN TO CONSOLIDATE
CONTROL WITHIN THE CPV LEADERSHIP LAST YEAR, A
DEEPENING OF THE IDEOLOGICAL RELATIONSHIP WITH THE
CHINESE HAS BECOME MORE AND MORE APPARENT. VIEWED IN
AGGREGATE, THE NUMBER AND FREQUENCY OF HIGH-LEVEL
DELEGATIONS BETWEEN THE TWO COMMUNIST PARTIES AND
GOVERNMENTS ARE STRIKING. THIS OBVIOUSLY IS A FAR
MORE IMPORTANT RELATIONSHIP FOR THE VIETNAMESE THAN
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FOR THE CHINESE, AND IT SEEMS THAT AS THE CPV PREPARES
FOR ITS NINTH PARTY CONGRESS NEXT MARCH, THE
VIETNAMESE ARE FEELING FREE TO BORROW, PERHAPS MORE SO
THAN IN RECENT MEMORY, FROM THEIR CHINESE BRETHREN.

118. (C) AT THE SAME TIME, PRC EMBOFFS GO TO GREAT
LENGTHS TO DESCRIBE THE BILATERAL MILITARY-TO-MILITARY
RELATIONSHIP AS HEAVY ON VACUOUS OFFICIAL VISITS AND
LIGHT ON SUBSTANCE. FOR REASONS OF THEIR OFTEN-
CONFLICTIVE HISTORY, VIETNAM WILL CONTINUE TO REGARD
CHINA WARILY. ALL THE WHILE, HOWEVER, TRADE BETWEEN
THE TWO COUNTRIES IS BOOMING, HAVING INCREASED
OFFICIALLY BY MORE THAN 50 PERCENT IN THE PAST TWO
YEARS. BUT EVEN THIS IS A DOUBLE-EDGED SWORD FOR THE
VIETNAMESE, SINCE THEY FEAR CHINESE MANUFACTURERS MAY
DUMP GOODS ON THE VIETNAMESE MARKET AND DRIVE NASCENT
VIETNAMESE INDUSTRIES OUT OF BUSINESS.

119. (C) IN VIETNAM'S STRATEGIC CALCULUS, CHINA WILL
CONTINUE TO LOOM LARGE -- AS COMPETITOR BUT ALSO AS
MODEL. IN ONE SENSE, HANOI HAS LITTLE CHOICE. SINCE
THE FALL OF THE SOVIET UNION, THE BOAT THAT THE
WORLD'S FIVE REMAINING COMMUNIST COUNTRIES FIND
THEMSELVES IN HAS GOTTEN SMALLER AND MORE RICKETY.

WHETHER OUT OF DESPERATION OR INSPIRATION, VIETNAM
FINDS LITTLE RECOURSE BUT TO LOOK TO CHINA -- THE
LARGEST, MOST IMPORTANT AND MOST PROSPEROUS OF THE
FIVE -- FOR IDEAS ON ECONOMIC AND POLITICAL REFORM.
END COMMENT.
PETERSON

NOTE: NOT PASSED TO ABOVE ADDRESSEE(S)

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